

# The Hawaii Defense Breakdown Economic Impact Report

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- **9%:** In 2012, President Obama limited U.S. military capability to fighting one “regional conflict” and one “holding action.” Defense budgets for 2013-2021 were cut **\$487 billion – a 9% cut, at a minimum.**
- **18%:** “Sequestration,” required by law in 2011, mandates **\$500 billion** more in 2013-2021 defense cuts – **an 18% cut, at a minimum.** President Obama said he will veto any changes Congress makes.
- **Be Prepared:** In 2013 **these cuts in defense jobs and businesses** will hit Hawaii counties, cities and industries. This report shows how “National Average” defense budget reductions of at least **9% and 18% could affect Hawaii, using actual 2010 Hawaii data.**
- **Ask Questions:** In 2012, Congress and President Obama will decide on the specific defense budget cuts. In the next 6 months, find out if these defense cuts affect your community more – or less – than this national average. See [www.forthecommondefense.org/reports](http://www.forthecommondefense.org/reports) for reports on cities, counties, industries and more.

**A 2011 nationwide economic impact study from the Center for Regional Analysis predicts that Hawaii could lose hundreds of jobs and hundreds of millions of dollars under the “Sequestration” law:**

- Hawaii could lose 714 jobs.
- Hawaii’s economy could lose \$422 million in lost earnings.
- Hawaii could see a \$614 million decrease in Gross State Product (GSP).

**Congressional experts estimate Hawaii could lose DOD military active-duty and DOD civilian jobs:**

- Under “Sequestration,” 6,812 **military active-duty employees** could lose their jobs.
- Under “Sequestration,” 4,600 **civilian DOD employees** could lose their jobs.

## Hawaii Top 5 Counties Projected Revenue Reductions Based On National Average

County Name	2000-2010 Revenue	2010 Revenue (Baseline)	2013-2021 Annual Revenue Reduced By At Least 9%	Under Sequestration: 2013-2021 Annual Revenue Reduced By At Least 18%
Honolulu	\$12,556,337,935	\$1,694,426,194	-\$152,498,364	-\$304,996,727
Kauai	\$195,839,783	\$87,768,640	-\$7,899,178	-\$15,798,356
Hawaii	\$128,371,616	\$9,317,168	-\$838,545	-\$1,677,090
Maui	\$206,984,055	\$8,306,976	-\$747,628	-\$1,495,256



## Hawaii businesses will not escape the 9% and 18% cuts.

Public data for 2010 shows Hawaii businesses earned over \$1.80 billion supporting America's defense:

- But under these 10-year defense cuts of at least 9%, Hawaii **annual business losses** could be greater than **\$162 million**. Hawaii businesses may have to **fire workers**.
- And at the "Sequestration" level of at least 18% in defense cuts, Hawaii **annual business losses** could be greater than **\$324 million**. Some Hawaii businesses may have to **shut down**.

## With at least 9% or 18% in planned budget cuts, Hawaii's small businesses will suffer.

From 2000-2010, {TotalBusinesses} Hawaii businesses provided goods and services for America's national defense:

- **423 minority-owned businesses**, including 15 owned by Black Americans, 23 owned by Hispanic Americans, 41 owned by Native Americans, 334 owned by Asian-Pacific Americans, and 10 owned by other minority Americans.
- **238 small businesses** including 123 "8A" and **small disadvantaged businesses** (SDB's)
- **168 woman-owned** businesses
- **129 veteran-owned** businesses, including 28 owned by **service-disabled veterans**

### Hawaii Businesses Projected Revenue Reductions Based On National Average

Type of Business	Numbers of This Business Type 2000-2010	Revenue for This Business Type 2010	Revenue Losses for Business Type 2010 - at Least 9% Reduction	Revenue Losses for Business Type 2010 - at Least 18% Reduction
Minority Owned	423	\$756,125,102	-\$68,051,262	-\$136,102,524
Small Businesses	115	\$375,643,079	-\$33,807,878	-\$67,615,757
Small Disadvantaged	123	\$247,296,086	-\$22,256,649	-\$44,513,297
Veteran-Owned	101	\$132,918,301	-\$11,962,648	-\$23,925,295
Service-Disabled Veteran	28	\$37,064,969	-\$3,335,847	-\$6,671,695
Black American	15	\$5,877,696	-\$528,993	-\$1,057,985
Hispanic American	23	\$76,616,789	-\$6,895,511	-\$13,791,023
Asian-Pacific Owned	334	\$401,444,740	-\$36,130,028	-\$72,260,056
Women-Owned	168	\$103,061,652	-\$9,275,549	-\$18,551,098

